

STATE OF ILLINOIS

METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL REIMBURSEMENT:  
MEDICAL ASSISTANCE-GRANT (MAG) AND MEDICAL ASSISTANCE-NO GRANT (MANG)

09/91 H. Reduction to Total Payments

1. Copayments

Copayments are assessed under all medical programs administered by the Department and shall be assessed in accordance with Section E.1. of Chapter VII.

2. Third Party Payments

==07/95 The requirements of Section E.2. of Chapter VII. shall apply.

09/91 I. Prepayment and Utilization Review

Prepayment and utilization review requirements shall be in accordance with Section L. of Chapter VIII.

09/91 J. Cost Reporting Requirements

Cost reporting requirements shall be in accordance with Section G. of Chapter VIII.

07/95 K. Rate Period

The rate period for hospitals reimbursed under this Chapter shall be the 12 month period beginning on October 1 of the year and ending September 30 of the following year, except for the period of July 1, 1995, through September 30, 1995.

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METHODS AND STANDARDS FOR ESTABLISHING INPATIENT RATES FOR HOSPITAL  
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GRANT (MANG)07/95 XV. Critical Hospital Adjustment Payments (CHAP)

10/99 Critical Hospital Adjustment Payments (CHAP) shall be made to all eligible hospitals excluding county-owned hospitals, as described in Chapter XVI A.1.a.i., unless otherwise noted in this Chapter XV, and hospitals organized under the University of Illinois Hospital Act, as described in Chapter XVI A.1.a.ii. for inpatient admissions occurring on or after July 1, 1998, in accordance with this Chapter.

10/99 A. Trauma Center Adjustments (TCA)  
The Department shall make a trauma center adjustment (TCA) to Illinois hospitals recognized, as of the first last day of July in June preceding the CHAP rate period, as a Level I or Level II trauma center by the Illinois Department of Public Health (IDPH), in accordance with the provisions of 1. through 3 below.

## 07/95 1. Level I Trauma Center Adjustment (TCA).

10/99 a. Criteria. Illinois hospitals that, on the first last day of July in June preceding the CHAP rate period are recognized as a Level I trauma center by the Illinois Department of Public Health, shall receive the Level I trauma center adjustment.

07/95 b. Adjustment. Illinois hospitals meeting the criteria specified in 1.a. above shall receive an adjustment as follows:

07/98 i. Hospitals with Medicaid trauma admissions equal to or greater than the mean Medicaid trauma admissions, for all hospitals qualifying under 1.a. above, shall receive an adjustment of \$21,365 per Medicaid trauma admission in the CHAP base period.

07/98 ii. Hospitals with Medicaid trauma admissions less than the mean Medicaid trauma admissions, for all hospitals qualifying under 1.a. above, shall receive an adjustment of \$14,165 per Medicaid trauma admission in the CHAP base period.

10/99 2. Level II Rural Trauma Center Adjustment (TCA). Illinois rural hospitals, as defined in Chapter XVI B.3., that, on the first last day of July in June preceding the CHAP rate period, are recognized as a Level II trauma center by the Illinois Department of Public Health shall receive an adjustment of \$11,565 per Medicaid trauma admission in the CHAP base period.

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3. Level II Urban Trauma Center Adjustment (TCA). Illinois urban hospitals, as described in Chapter XVI B.4., that, on the first last day of July in June preceding the CHAP rate period, are recognized as Level II trauma centers by the Illinois Department of Public Health (IDPH) shall receive an adjustment of \$11,565 per Medicaid trauma admission in the CHAP base period, provided that such hospital meets the criteria described below:

07/95

- a. The hospital is located in a county with no Level I trauma center; and

10/99

- b. The hospital is located in a Health Professional Shortage Area (HPSA) (42 CFR 5), as of the first last day of July in June preceding the CHAP rate period and has a Medicaid trauma admission percentage at or above the mean of the individual facility values determined in A.3.a. above; or the hospital is not located in a HPSA (42 CFR 5) and has a Medicaid trauma admission percentage that is at least the mean plus one standard deviation of the individual facility values determined in subsection A.3.a. above.

10/99

B. Rehabilitation Hospital Adjustment (RHA)

Illinois hospitals that, on the first last day of July in June preceding the CHAP rate period, qualify as rehabilitation hospitals, as defined Section C.2. of Chapter II, and are accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF), shall receive a rehabilitation hospital adjustment in the CHAP rate period that consists of the following three components:

07/98

1. Treatment Component. All hospitals defined in Section B. above, shall receive \$4,595 per Medicaid Level I rehabilitation admission in the CHAP base period.

07/95

2. Facility Component. All hospitals defined in Section B. above, shall receive a facility component that shall be based upon the number of Medicaid Level I rehabilitation admissions in the CHAP base period as follows:

07/97

- a. Hospitals with fewer than 90 Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of \$250,000.00 in the CHAP rate period.

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07/97

- b. Hospitals with 90 or more Medicaid Level I rehabilitation admissions in the CHAP base period shall receive a facility component of 575,000,000 in the CHAP rate period.

10/99

3. Health Professional Shortage Area Adjustment Component. Hospitals defined in Section B. above, that are located in a Health Professional Shortage Area (HPSA) (42 CFR 5), as of the first last day of July in June preceding the CHAP rate period, shall receive \$300.00 per Medicaid Level I rehabilitation inpatient day in the CHAP base period.

07/95

- ~~C. Direct Hospital Adjustment (DHA) Criteria. To qualify for the DHA under this Section, hospitals must meet one of the following criteria as described below.~~

07/95

- ~~1. Be an Illinois hospital located outside of Health Service Area (HSA) six which has a Medicaid inpatient utilization rate on the last day of June preceding the CHAP rate period, as defined in Chapter VI, Section G.8.e., greater than 60 percent and has an average length of stay of less than ten days.~~

07/95

- ~~2. Be a hospital located in HSA six, excluding psychiatric and rehabilitation hospitals as defined in Section G.1. and G.2. of Chapter II, that meets one of the following criteria:~~

07/95

- ~~a. Is a hospital whose sum of the critical weighting factors is greater than one standard deviation above the mean of the summed critical weighting factors for all hospitals located within the same planning area. The critical weighting factor is determined as follows:~~

07/95

- ~~i. Hospitals that on the last day of June preceding the CHAP rate period, are designated as a Level III, II, or I Perinatal Center by the Illinois Department of Public Health shall receive a critical weighting factor of 10, 7.5, or 5 respectively depending on the hospital's perinatal level designation.~~

07/95

- ~~ii. Hospitals that on the last day of June preceding the CHAP rate period, are recognized as a Level I or II Trauma Center by the Illinois Department of Public Health shall receive a critical weighting factor of ten or five respectively depending on the hospital's trauma level designation.~~

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- 07/95 ——— iii. Hospitals that on the last day of June preceding the GHAP rate period, are eligible for disproportionate share payments as described in Chapter VI.C.7.a. & b., shall receive a critical weighting factor of five.
- 07/95 ——— iv. Hospitals that have an occupancy ratio as determined by the Illinois Department of Public Health (IDPH), based upon the most current IDPH published report entitled "Bed Count, Average Length of Stay, Average Daily Census and Percent Occupancy for Non-Federal Hospitals in Illinois", which is available to the Illinois Department of Public Aid on the last day of June preceding the GHAP rate period, which is equal to or greater than the mean occupancy ratio for all hospitals in the planning area shall receive a critical weighting factor of five.
- 07/95 ——— v. Hospitals which have Medicaid obstetrical care admissions in the GHAP base period that are equal to or greater than one-half a standard deviation above the mean Medicaid obstetrical care admissions in their planning area shall receive a critical weighting factor of ten. If the hospital's Medicaid obstetrical care admissions are greater than the mean but less than one-half a standard deviation above the mean Medicaid obstetrical care admissions in their planning area, the hospital shall receive a critical weighting factor of five.
- 07/95 ——— vi. Hospitals that on the last day of June preceding the GHAP rate period have a Medicaid inpatient utilization rate as defined in Chapter VI, Section C.8.e. which is equal to or greater than one-half a standard deviation above the mean Medicaid inpatient utilization rate in their planning area shall receive a critical weighting factor of ten. If the hospital's Medicaid inpatient utilization rate is greater than the mean but less than one-half a standard deviation above the mean Medicaid inpatient utilization rate in their planning area, the hospital shall receive a critical weighting factor of five.

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- 07/95 ————— vii. Hospitals which have Medicaid general care admissions in the GHAP base period that are equal to or greater than one-half a standard deviation above the mean Medicaid general care admissions in their planning area shall receive a critical weighting factor of ten. If the hospital's Medicaid general care admissions are greater than the mean but less than one-half a standard deviation above the mean Medicaid general care admissions in their planning area the hospital shall receive a critical weighting factor of five.
- 07/95 ————— viii. Hospitals which have a cost per day at 80 percent occupancy that is less than or equal to one-half a standard deviation below the mean cost per day at 80 percent occupancy in their planning area shall receive a critical weighting factor of ten. If the hospital's cost per day at 80 percent occupancy is greater than one-half a standard deviation below the mean cost per day at 80 percent occupancy but less than the mean cost per day at 80 percent occupancy in their planning area the hospital shall receive a critical weighting factor of five.
- 07/95 ————— b. Is a major teaching hospital with 40 or more graduate medical education programs accredited by the American Accreditation Council for Graduate Medical Education, the American Osteopathic Association Division of Post-doctoral Training, or the American Dental Association Joint Commission of Dental Accreditation.
- 07/98 ————— c. Is a hospital with 3,200 or more total Medicaid admissions in the GHAP base period.
- 07/98 ————— 3. Be a hospital qualifying under G.2. above that has the highest number of Medicaid obstetrical care admissions in the GHAP base period.
- 07/95 ————— 4. Be a hospital qualifying under G.2. above that on the last day of June preceding the GHAP rate period, is designated as a Level III or II Perinatal Center by the Illinois Department of Public Health, and that has a Medicaid inpatient utilization rate, as defined in Chapter VI, Section G.8.e. which is greater than one-half a standard deviation above the statewide mean Medicaid inpatient utilization rate, as defined in Chapter VI, Section G.8.c., and that has at least one obstetrical graduate medical education program accredited by the American Accreditation Council for Graduate Medical Education, the American

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- 07/95 ————— 5. ————— Osteopathic Association Division of Post-doctoral Training, or the American Dental Association Joint Commission on Dental Accreditation. Be a children's hospital, which means a hospital devoted exclusively to caring for children. A hospital which includes a facility devoted exclusively to caring for children that is separately licensed as a hospital by a municipality shall be considered a children's hospital to the degree that the hospital's Medicaid care is provided to children.
- 07/95 ————— D. ————— Direct Hospital Adjustment (DHA) Adjustment. Calculation of the DHA is as follows:
- 07/97 ————— 1. ————— Hospitals qualifying under C.1. above shall receive an DHA of \$60.00 multiplied by the DHA Medicaid days in the GHAP base period.
- 07/97 ————— 2. ————— Hospitals qualifying under C.2 or C.5. above shall receive an DHA of \$30.00 multiplied by the DHA Medicaid inpatient days in the GHAP base period.
- 07/97 ————— 3. ————— Hospitals qualifying under C.5. above which have a Medicaid inpatient utilization rate, as defined in Chapter VI C.8.e., on the last day of June preceding the GHAP rate period, that is greater than eighty-five percent shall receive an additional \$20.00 multiplied by the DHA Medicaid days in the GHAP base period.
- 07/97 ————— 4. ————— Hospitals qualifying under C.2.b. above shall receive an additional \$10.00 multiplied by the DHA Medicaid days in the GHAP base period.
- 07/98 ————— 5. ————— Hospitals qualifying under subsection (C)(2)(a) and (C)(2)(b) of this Section will receive an additional \$20 multiplied by DHA Medicaid days in the GHAP base period.
- 07/98 ————— 6. ————— Hospitals qualifying under C.3. or C.4. above shall receive an additional \$120.00 multiplied by the DHA Medicaid days in the GHAP base period if their Medicaid inpatient utilization rate, as defined in Chapter VI C.8.e., on the last day of June preceding the GHAP rate period is equal to or greater than fifty percent; or \$65.00 multiplied by the DHA Medicaid days in the GHAP base period if their Medicaid inpatient utilization rate, as defined in Chapter VI C.8.e., on the last day of June preceding the GHAP rate period is less than fifty percent.

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C.

Direct Hospital Adjustment (DHA) Criteria

1. Qualifying Criteria

Hospitals may qualify for the DHA under this subsection C. under the following categories:

- a. Except for hospitals operated by the University of Illinois, children's hospitals, psychiatric hospitals, rehabilitation hospitals and long term stay hospitals, all other hospitals located in Health Service Area (HSA) 6 that either:
  - i. were eligible for Direct Hospital Adjustments under the CHAP program as of July 1, 1999, and had a Medicaid inpatient utilization rate (MIUR) equal to or greater than the statewide mean in Illinois on July 1, 1999;
  - ii. were eligible under the Supplemental Critical Hospital Adjustment Payment (SCHAP) program as of July 1, 1999, and had a MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999; or
  - iii. were county-owned hospitals as defined in 89 Ill. Adm. Code 148.25(b)(1)(A), and had a MIUR equal to or greater than the statewide mean in Illinois on July 1, 1999.
- b. Hospitals located outside of HSA 6 that have a MIUR greater than 60 percent on July 1, 1999, and an average length of stay less than ten days. The following hospitals are excluded from qualifying from this criteria: children's hospitals; psychiatric hospitals; rehabilitation hospitals; and long term stay hospitals.
- c. Children's hospitals, as defined under Section II.C.3, on July 1, 1999.
- d. Teaching hospitals with more than 40 graduate medical education programs, on July 1, 1999, not qualifying in subsections C.1.a., b. or c. above.

07/99

D.

DHA Rates and Payments

1. For hospitals qualifying under subsection C.1.a. above, the DHA rates are as follows:

- a. Hospitals that have a Combined MIUR that is equal to or greater than the Statewide mean Combined MIUR, but less one standard deviation above the Statewide mean Combined MIUR, will receive \$20 per day for hospitals that do not provide obstetrical care and \$115 per day for hospitals that do provide obstetrical care.

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- b. Hospitals that have a Combined MIUR that is equal to or greater than one standard deviation above the Statewide mean Combined MIUR, but less than one and one-half standard deviations above the Statewide mean Combined MIUR, will receive \$40 per day for hospitals that do not provide obstetrical care, and \$155 per day for hospitals that do provide obstetrical care.
- c. Hospitals that have a Combined MIUR that is equal to or greater than one and one-half standard deviations above the Statewide mean Combined MIUR, but less than two standard deviations above the Statewide mean Combined MIUR, will receive \$80 per day for hospitals that do not provide obstetrical care, and \$175 per day for hospitals that do provide obstetrical care.
- d. Hospitals that have a Combined MIUR that is equal to or greater than two standard deviations above the Statewide mean Combined MIUR will receive \$100 per day for hospitals that do not provide obstetrical care, and \$195 per day for hospitals that do provide obstetrical care.
- 2. Hospitals qualifying under subsection C.1.a. above, will also receive the following rates:
  - a. Hospitals with more than 30,000 Total days will have their rate increased by \$265 per day.
  - b. Hospitals with more than 80,000 Total days will have their rate increased by an additional \$410 per day.
  - c. Hospitals with more than 4,500 Obstetrical days will have their rate increased by \$110 per day.
  - d. Hospitals with more than 5,500 Obstetrical days will have their rate increased by an additional \$375 per day.
  - e. Hospitals with an MIUR rate greater than 74 percent will have their rate increased by \$160 per day.
  - f. Hospitals with an average length of stay less than 3.9 days will have their rate increased by \$45 per day.
- 3. Hospitals qualifying under subsection C.1.b. above will receive the following rates:
  - a. Qualifying hospitals will receive a rate of \$330 per day.
  - b. Qualifying hospitals with the more than 1,500 Obstetrical days will have their rate increased by \$225 per day.

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4. Hospitals qualifying under subsection C.1.c. above will receive the following rates:
  - a. Hospitals will receive a rate of \$30 per day.
  - b. Hospitals located in Illinois and outside of HSA 6, that have a Medicaid inpatient utilization rate greater than 60 percent, will have their rate increased by \$60 per day.
  - c. Hospitals located in Illinois and inside HSA 6, that have a Medicaid inpatient utilization rate greater than 80 percent, will have their rate increased by \$210 per day.
  - d. Hospitals that are not located in Illinois that have a Medicaid inpatient utilization rate greater than 45 percent will have their rate increased by \$35 per day.
  - e. Hospitals with more than 3,200 Total admissions will have their rate increased by \$125 per day.
5. Hospitals qualifying under subsection C.1.d. of this Section will receive the following rates:
  - a. Hospitals will receive a rate of \$45 per day.
  - b. Hospitals with a MIUR between 18 percent and 19.75 percent will have their rate increased by an additional \$15 per day.
  - c. Hospitals with a MIUR equal to or greater than 19.75 percent will have their rate increased by an additional \$50 per day.
6. Payments under this subsection C. will be made at least quarterly, beginning with the quarter ending December 31, 1999.
  - a. Payment rates will be multiplied by the Total days.
  - b. Total Payment Adjustments
    - i. For the CHAP rate period occurring in State fiscal year 2000, total payments will equal the methodologies described above, less the amount the hospital received under DHA and SCHAP for the quarter beginning July 1, 1999. For hospitals not qualifying for CHAP, DHA and SCHAP payments for the quarter ending September 30, 1999, total payments will equal the methodologies described above.
    - ii. For CHAP rate periods occurring after State fiscal year 2000, total payments will equal the methodologies described above.

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